

# **Regulation on the promotion of the production of electricity from renewable energy sources and high-efficiency cogeneration<sup>1</sup>**

THE GOVERNMENT OF THE REPUBLIC OF CROATIA

Pursuant to Article 31 paragraph 6, Article 34 paragraph 5, Article 36 paragraph 1 and Article 46 paragraph 9 of the Act on Renewable Energy Sources and High-Efficiency Cogeneration, Official Gazette 100/15, 123/16, 131/17 and 111/18, in its session of 20 December 2018 the Government of the Republic of Croatia adopted the following

## **REGULATION ON THE PROMOTION OF THE PRODUCTION OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES AND HIGH-EFFICIENCY COGENERATION**

### **PART ONE**

#### **GENERAL PROVISIONS**

##### **Article 1**

This Regulation shall stipulate the terms of the tender, the deadlines and the way of carrying out of the public tendering procedure, the content of the open call for tender and the classification of the power generation facilities that are included in the public tender as well as the terms and conditions regulating how the eligibility for incentives in the form of a market premium and a guaranteed purchase price is acquired, realised and withdrawn. It shall regulate in detail the rights and obligations of the project holder, the eligible producer, the electricity market operator, the transmission system operator and the distribution system operator linked to granting the right to incentives, the specific mandatory provisions of the premium tariff agreements and the guaranteed purchase price (off-take) agreements, the deadlines and the guarantees for the construction of a power generation installation or a power generation unit and the guarantees for the payment of incentives. This Regulation shall also elaborate the conditions for the recovery of the paid incentives where the eligibility for incentives is expired or withheld, set the method for the calculation of the maximum reference values of electricity and the method for the calculation of the maximum guaranteed purchase prices for electricity depending on the type, the capacity and the technology of the power generation facilities and the method for the calculation of the electricity reference market price. It shall provide a classification of the power generation facilities depending on the source of energy, technology and the installed capacity and the method regulating how the eligibility for incentives is realised in the waste-to-energy production in the power generation facility of the eligible producer of electricity in line with the waste hierarchy in the sense of the act regulating the sustainable waste management as well as the charges paid by the eco balance group members together with the deadlines, means of payment and payment security provisions regarding the charges concerned.

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<sup>1</sup> This is the consolidated text including the proposed 2019 Draft Amendments to the existing 2018 Regulation on the promotion of the production of electricity from renewable energy sources and high-efficiency cogeneration.

## Article 2

This Regulation shall transpose into the legal framework of the Republic of Croatia the provisions under the Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC last amended by the Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources (Text with EEA relevance) OJ L 239, of 15. 9. 2015.

## Article 3

(1) The terms used in this Regulation shall bear the meaning set forth by the renewables and high-efficiency cogeneration rules, the energy sector rules, the electricity market rules and the provisions regulating the electricity system grid rules.

(2) For the purposes of this Regulation the following definitions shall apply:

1. “ambient energy” means naturally occurring thermal energy and energy accumulated in the environment with constrained boundaries, which can be stored in the ambient air, excluding in exhaust air, or in surface or sewage water;
2. “biofuel” means liquid fuel for transport produced from biomass;
3. “biomass plant” means technologically stand-alone installation for the production of electricity and/or heat from solid biomass sourced from forests, crops and forest-based industries' residues and wastes;
4. “geothermal energy” means energy stored in the form of heat beneath the surface of solid earth;
5. “hybrid power plants” means power generation facilities that combine at least two different primary energy sources or transform one primary energy source into two energy forms in different processes, that is connected to the electricity grid at the same charging metering point;
6. “innovative technology” means a new and unproven technology compared to the state of the art in the industry, and is not an optimisation or scaling up of an existing technology in the use of primary energy sources, and as such is not available in the market whereas its development is supported in the EU funding;
7. “innovative technology project” means an innovative project for the production of electricity or high-efficiency cogeneration the development of which is based on the innovative technology that for the purpose of classification shall be issued a renewable electricity approval with respect to the primary energy source and the installed capacity referred to in Article 4 hereof, and as such represents the first project of a kind which is to be implemented”;
- 8 “installed capacity of the power generation installation” means the sum of the installed capacities of all power generation units within a power generation installation;
9. “installed capacity of the power generation unit” means the sum of the nominal outputs of all generators that constitute a power generation unit, except in the case of the photovoltaic (PV) solar power plants where installed capacity means a sum of nominal outputs of all the exchangers at the gate connecting the PV modules to the power grid. In the case of the generators that use inverters to connect to the grid, the nominal power of the generator means the cumulative nominal power of the generator-inverter connection. The installed capacity of the power unit is expressed in kW or MW;

10. "integrated solar power plant" means a solar power plant fitted on the surface of a building (rooftops, covers, blinds, balconies, terraces, balustrades, facades, windows, doors...) or an infrastructure facility (substations, bridges and similar constructions);
11. "report period for an eligible producer" means a time period for which the reports, plans and other documentation are made, also representing the time period that is subject to monitoring of whether an eligible producer complies with the efficiency criteria and other mandatory criteria applicable to the eligible producer;
12. "simple cycle power plant" means a power generation facility that is considered simple in construction in line with the rules regulating simple and other constructions and works;
13. "renewable source cogeneration power plant (RES)" means a cogeneration plant that primarily uses the renewable energy sources as the primary source of energy in the electricity generation process;
14. "maximum reference value of electricity" means the value calculated in HRK/MWh that matches the production cost (PT) of electricity per power generation unit of the reference installation belonging to a particular power generation installation group the construction of which is supported under the market premium agreement;
15. "maximum guaranteed purchase price" means the price calculated in HRK/MWh that matches the production cost (PT) of electricity per power generation unit of the reference installation belonging to a particular power generation installation group the construction of which is supported under the guaranteed purchase price (off-take) agreement;
16. "small-scale cogeneration unit" means a cogeneration unit with installed capacity below 1 MWe;
17. "micro-cogeneration unit" means a cogeneration unit with a maximum capacity below 50 kWe;
18. "non-integrated solar power plant" means a solar power plant built as a stand-alone construction;
19. "settlement period" means a one-month period to which the calculation applies;
20. "feed-in reserves" means an electricity generation and/or electricity storage facility that ensures temporary electricity feed-in when in-take (power supply) from the electricity grid or a power generation installation is not possible;
21. "connection capacity" means the maximum permitted capacity value of the permanent electricity off-take from the grid and/or the maximum permitted capacity value of the permanent electricity feed-in supplied into the grid the grid user was issued the connection authorisation for the charging metering point concerned;
22. "total annual efficiency" means efficiency indicators of the cogeneration power plant in the report period for an eligible producer, which is determined within the meaning of the regulation on the use of renewables and high-efficiency cogeneration;
23. "savings of primary energy sources (SES)" means efficiency indicators of the cogeneration power plant in the report period for an eligible producer, which is determined within the meaning of the regulation on the use of renewables and high-efficiency cogeneration.

## PART TWO

### CLASSIFICATION OF POWER GENERATION INSTALLATIONS

Classification of power generation installations with respect to energy source, technology and installed capacity

Article 4

(1) For the purposes of setting up a state aid scheme and the classification with respect to the issuance of the renewable energy approval, the power generation installations depending on the primary source of energy and the installed capacity shall be classified into the following groups:

a. Solar power plants:

1. Solar power plants with installed capacity of up to and incl. 50 kW
2. Solar power plants with installed capacity above 50 kW to incl. 500 kW
3. Solar power plants with installed capacity above 500 kW to incl. 10 MW
4. Solar power plants with installed capacity above 10 MW.

b. Hydropower plants:

1. Hydropower plants with installed capacity of up to and incl. 50 kW
2. Hydropower plants with installed capacity above 50 kW to incl. 500 kW
3. Hydropower plants with installed capacity above 500 kW to incl. 10 MW
4. Hydropower plants with installed capacity above 10 MW.

c. Wind farms:

1. Wind farms with installed capacity of up to and incl. 50 kW
2. Wind farms with installed capacity above 50 kW to incl. 500 kW
3. Wind farms with installed capacity above 500 kW to incl. 3 MW
4. Wind farms with installed capacity above 3 MW.

d. Biomass power plants:

1. Biomass power plants with installed capacity of up to and incl. 50 kW
2. Biomass power plants with installed capacity above 50 kW to incl. 500 kW
3. Biomass power plants with installed capacity above 500 kW to incl. 2 MW
4. Biomass power plants with installed capacity above 2 MW to incl. 5 MW
5. Biomass power plants with installed capacity above 5 MW.

e. Geothermal power plants:

1. Geothermal power plants with installed capacity of up to and incl. 500 kW
2. Geothermal power plants with installed capacity above 500 kW.

f. Biogas power plants:

1. Biogas power plants with installed capacity of up to and incl. 50 kW

2. Biogas power plants with installed capacity above 50 kW to incl. 500 kW

3. Biogas power plants with installed capacity above 500 kW to incl. 2 MW

4. Biogas power plants with installed capacity above 2 MW to incl. 5 MW

5. Biogas power plants with installed capacity above 5 MW.

g. Liquid biofuel power plants:

1. Liquid biofuel power plants with installed capacity of up to and incl. 500 kW

2. Liquid biofuel power plants with installed capacity above 500 kW.

h. Other renewables power plants:

1. Ambient energy power plants

2. Sea energy power plants

3. Other unspecified renewables power plants.

i. Cogeneration installations using waste and other renewable fuels:

1. Micro cogeneration facilities with installed capacity of up to 50 kW

2. Small-size cogeneration facilities with installed capacity from 50 kW to up to and incl. 500 kW

3. Cogeneration facilities with installed capacity above 500 kW to incl. 2 MW

4. Cogeneration facilities with installed capacity above 2 MW.

j. Hybrid power plants:

1. Hybrid power plants with installed capacity of up to and incl. 30 kW

2. Hybrid power plants with installed capacity above 30 kW to incl. 500 kW

3. Hybrid power plants with installed capacity above 500 kW.

(2) In terms of the type of the connection to the grid and the way the produced electricity is used, the power generation installation referred to under paragraph 1 hereof can primarily feed in the produced electricity into the electrical grid whereas a part of the produced electricity is used for the own consumption of the power installation concerned.

(3) As regards the place of construction the solar power plants are further classified as:

1. Integrated solar power plants, and

2. Non-integrated solar power plants.

(4) The biogas installations are further classified as regards the preparation of the biogas as follows:

1. Biogas installations where biogas is produced from agricultural crop and organic residues, vegetable and animal waste, biodegradable waste and the wastewater sludge,

2. Biogas power plants using biogas from municipal solid waste and wastewater treatment.

(5) As regards the place of the preparation of the biogas the biogas power plants are further divided in:

1. Biogas installations where the biogas generation facility is constructed as a technological unit within the generation installation

2. Biogas power plants that use the biogas produced in some other location or within a separate biogas generation installation in the same location.

(6) Cogeneration installations under paragraph 1 group i. hereof shall include the cogeneration installations using a waste heat recovery system in industrial processes.

(7) For the purpose of attaining the eligibility status for state aid support the classification of the power generation installations provided hereof shall also apply to individual power generation units.

(8) Innovative technology projects in accordance with the classification of generating plants shall be entitled to an incentive amount equal to the maximum guaranteed purchase price or the maximum electricity reference value determined in accordance with the provisions of this Regulation.

(9) Where a power generation installation is made up of more power generation units, all the power generation units shall be classified separately within the meaning of this Article, whereas the whole power generation installation can be classified within the meaning of this Article if all the power generation units are of the same type in accordance with the general classification referred to in paragraph 1 hereof. Where this is the case, the classification of the whole power generation installation shall be determined on the basis of the sum of the connected capacities of all power generation units that are of the same type.

(10) Where a power generation installation consists of a power generation unit that uses the waste heat of some other power generation unit it shall be considered as:

a. one power generation unit (with two interconnected power generation units)

or

b. two power generation units where the power generation unit that uses the waste heat shall be considered a cogeneration installation referred to in paragraph 1 group i. hereof.

(11) The recovery of waste heat referred to under paragraphs 9 and 10 hereof shall be brought into compliance with the regulation stipulating the use of renewable sources of energy and high-efficiency cogeneration.

(12) The use of waste in the installations referred to in paragraph 1 group i. hereof shall be authorised in compliance with the rules governing the environmental protection, sustainable waste management and other related provisions.

PART THREE

INCENTIVES IN THE FORM OF MARKET PREMIUM AND GUARANTEED PURCHASE PRICE

CHAPTER I

TENDER FOR MARKET PREMIUM AND TENDER FOR GUARANTEED PURCHASE PRICE

Criteria for the conduct of the tender, the tendering procedure and the content of the open call to tender

Article 5

(1) The electricity market operator shall at least once a year carry out a public tendering procedure for the award of the market premium and/or the tendering procedure for granting a guaranteed purchase price within the available quotas for the promotion of the production of electricity from the renewable energy sources and high-efficiency cogeneration in compliance with the regulation in effect laying down the quotas for the promotion of the production of electricity from the renewable energy sources and high-efficiency cogeneration installations.

(2) At least two months but not more than four months before the day on which the tender is published, the electricity market operator shall publish a public call for tender laying down all tendering requirements that include the maximum reference values and/or the guaranteed purchase price granted for particular installation groups as defined in the tender.

(3) The open call for tender (public bidding) referred to under paragraph 2 hereof shall indicate at least the following:

1. the specification of the groups of power generation installations concerned in line with the classification under Article 4 of this Regulation;
2. the defined maximum sum of the connection capacities of the power generation installations expressed in MW (the volume of the tender) for the groups of the power generation installations concerned in compliance with the available incentive quotas;
3. maximum reference values expressed in HRK/MWh for the individual groups of installations established by the electricity market operator in line with Article 22 of this Regulation;
4. a payment security bid bond under Article 7 of this Regulation proving the seriousness of the bid;
5. the way the winning bidders (best bids) will be selected in line with Article 11 of this Regulation;
6. the requirements that must be met by the bidders and the criteria that must be fulfilled for the signing of the market premium agreement and/or the guaranteed purchase price (off-take) agreement in the case the bidders are selected within the meaning of Articles 7, 13 and 14 of this Regulation;
7. the standard application form that must be filled in by the bidders.

(4) The electricity market operator shall lay down the content of the form for the submittal of the relevant data referred to under paragraph 3 item 7 hereof.

## Requirements for bidding in the tender

### Article 6

(1) The project holders shall be entitled to participate in the tender in compliance with the requirements laid down by the law regulating the renewables and high-efficiency cogeneration and this Regulation.

(2) The project holders participate in the tender by submitting their bids that include the filled out standard form referred to in Article 5 paragraph 3 item 7 of this Regulation and other documents in accordance with the open call for tenders.

(3) A project holder can submit only one bid for a particular power generation installation or installation unit.

(4) Where one project holder submits more bids for the same power generation installation or the same installation unit, unless it withdraws from the submitted bids until the day on which the bids are opened so that there is only one remaining bid left for one installation or one bid for one unit, all the bids submitted for the same power generation installation or the same power generation unit, shall be considered invalid and they shall not be taken into account. The electricity market operator shall inform thereon the project holder concerned in writing.

(5) The bids shall contain at least the following:

1. name and surname, address, personal identification number, telephone number and e-mail address of the project holder, where the project holder is a natural person;

2. company name of the legal person, address, ID for VAT, telephone number and e-mail address of the project holder, name and surname of the authorised representative and his/her personal identification number, where the project holder is a legal person;

3. the name of the project and its register number under the Register of Renewable Energy Sources, Cogeneration and Eligible Producers (hereinafter referred to as: RES Register);

4. the list of the cadastral spatial units on which the installation will be constructed in compliance with the building approval certificate;

5. the bidding connection capacity of the installation that is submitted by the project holder in the tender for the award of the market premium expressed in kW with no decimal places, with the exception of the installation groups below 50 kW the capacity of which is expressed using one decimal place;

6. the bidding connection capacity of the installation that is submitted by the project holder in the tender for incentives in the form of a guaranteed purchase price expressed in kW with one decimal place;

7. the bidding reference value of the project holder in the tender for the award of the market premium expressed in HRK/MWh with two decimal places;

8. the total purchase price of the project holder in the tender for incentives in the form of a guaranteed purchase price expressed in HRK/MWh with two decimal places;

9. a valid planning permission or a building permit or any other document on the basis of which the construction of a power generation installation is allowed except for a simple cycle power plant;

10. a prior connection authorisation or a connection authorisation;

11. a legal document of ownership by the project holder on the cadastral spatial units on which the power generation installation that is the subject of the bid will be constructed in compliance with the document on the basis of which the construction is approved, in other words, a document proving that with respect to the power generation installation that is the subject of the bid the project holder has the building right, an easement or is entitled to use the real-estate for the construction of the power generation installation on a different legal basis;

12. a demand guarantee issued by a bank or a receipt of payment to the account in compliance with Article 7 of this Regulation;

13. a statement confirming the received aid verified by a public notary as specified in the open call for tenders;

14. an excerpt from the relevant register or some other institution authorised for the registration, or in the case of a natural person a certificate of residence in the Republic of Croatia whereas these documents cannot be older than 30 days from the day of the submittal of the bid;

15. a certificate of the tax authority confirming the payment of all due tax liabilities and social security contributions and other statutory provisions that is not older than 30 days from the day of the submittal of the bid;

16. a certificate of no criminal record verified by the public notary with respect to the statement the natural person gives for him/herself or that the authorised representative gives for him/herself and for the legal person that he/she is representing indicating that against the applicant no legally valid sentence has been passed for a criminal offence such as: conspiracy in the criminal offense, commercial bribery involving the act of taking or receiving the bribe in business, abuse of power and authority, abuse of public office, illegal abuse of power for private gain, the act of receiving or taking the bribe, fraud, digital fraud, commercial fraud and money laundering, as specified by the form provided in the open call, that is not older than 30 days from the day of the submittal of the bid;

17. a certificate of no criminal record for the natural person or the legal person and the responsible person in the legal person of the project holder, that is not older than 30 days from the day of the submittal of the bid;

18. all other supporting documents and/or data as specified in the open call.

(6) In the case of innovative technology, the project promoter, in support of a bid to award a market premium or incentive with a guaranteed purchase price, shall also provide valid proof that the development of the project is secured by EU funds in addition to the information referred to in paragraph 5 of this Article.

(7) In addition to the documents and information referred to in paragraph 5 hereof, in the case of the innovative technology project the project holder shall attach to the bid for the award of the market premium or the incentives in the form of a guaranteed purchase price also submit valid evidence that the development of the project is ensured from the EU funding.

(8) In the case of a planned reconstruction of the power generation installation that within the meaning of the law regulating the renewables and high-efficiency cogeneration constitutes a new power generation installation, besides the documents and data referred to under paragraph 5 hereof the project holder shall attach to the bid for the award of the market premium also the following:

1. the description of the existing power generation installation and the planned refurbishments;
  2. a detailed study of the status quo of the power generation installation before the reconstruction made and verified by an authorised project engineer, that clearly reflects the volume and the size of the reconstruction;
  3. a document certified by a public notary verifying the value of the investment cost structure necessary for the reconstruction of the power generation installation in accordance with the form specified by the electricity market operator in the tendering procedure;
  4. use permit for the existing power generation installation as evidence of the age of the power generation installation and/or other evidence of the lifespan of the installation;
  5. production plans for at least a seven-year-period, including the data and elaboration as well as documents on the basis of which these plans have been made, also clearly indicating the planned total revenues of the power generation installation in the accounting period of seven years;
- (9) The documents for the participation in the tendering procedure shall be submitted in their original versions or the verified copies thereof in a single sealed envelope in compliance with the requirements stipulated for each particular tender.
- (10) After receiving each individual bid the electricity market operator shall tag it accordingly.
- (11) Until the expiry date for the submittal of the bids the tenderer may alter and/or supplement the bidding documents by sending a new mail but specifying the tag attached to the first bid originally assigned at its receipt, clearly stating what parts of the tendering documentation has been altered or subsequently added.
- (12) Until the expiry date for the submittal of the bids the tenderer may withdraw from the tender in by sending a written statement on withdrawal containing a verified signature of the tenderer and specifying the tag assigned to the bid at the moment of its receipt.
- (13) The reference value specified in the bid of the project holder – participant in the tender for the award of the market premium for a specified group of the power generation installations shall not exceed the maximum reference value laid down for the group of the power generation installations concerned that has been published in the open call for tender.
- (14) The purchase price specified in the bid of the project holder – participant in the tender for the incentives in the form of a guaranteed purchase price for a specified group of the power generation installations shall not exceed the maximum guaranteed purchase price laid down for the group of the power generation installations concerned that has been published in the open call for tender.
- (15) The minimum and maximum installed capacities of the installations in the bids for individual groups of installations have been laid down in the classification referred to under Article 4 of this Regulation, where the maximum value of the installed capacity for an individual bid is limited also by the laid down volume of the tender for the installation group concerned.
- (16) Where the project holder referred to under paragraph 2 hereof plans to build a new additional power generation unit or plans the reconstruction of the existing power generation unit, it shall submit the bid for the award of the market premium for the group of power generation installations to which the power generation unit at issue belongs to, regardless of the installation group to which the whole power generation installation belongs before or after the construction or the reconstruction of the planned power generation unit or installation.

## Financial safeguards

### Article 7

(1) With the view to proving the seriousness of the bid, as a constituent part of the tender documentation the bidder shall submit a bid bond guarantee in the form of either:

1. a non-transferrable, irrevocable and unconditional bank guarantee to the beneficiary – the electricity market operator, payable at its first written demand, in the amount of HRK 50.00 per kW of the connection capacity of the power generation installation concerned, issued by a commercial bank acceptable to the electricity market operator, with a maturity period of at least five weeks after the expiry for the deadline for the submittal of the bids,

or

2. a proof of the payment of a cash deposit in the amount of HRK 50.00 per kW of the connection capacity of the power generation installation concerned, made on the account of the electricity market operator indicated in the open call.

(2) The project holder that bids in the tender shall receive the recovery of the bank guarantee referred to in paragraph 1 item 1 hereof or the payment referred to under paragraph 1 item 2 hereof for the bid concerned where:

1. the project holder withdraws from the tender in line with Article 6 paragraph 10 of this Regulation;

2. its bid is not selected as one of the winning bids;

3. its bid is not taken into consideration on the account of the fact that it is found invalid in line with Article 9 items 1, 2 and 3 of this Regulation;

4. its bid is selected as a winning bid and the project holder enters into a market premium agreement or a guaranteed purchase price (off-take) agreement with the electricity market operator in the sense of this Regulation.

(3) Where the bid submitted by the participant in the tender is selected as a winning bid but the bidder does not conclude a market premium agreement or a guaranteed purchase price (off-take) agreement within the meaning of Article 14 of this Regulation, the electricity market operator shall invoke the guarantee referred to in paragraph 1 item 1 hereof and the accrued bank guarantee or the payment referred to under paragraph 1 item 2 hereof shall not be recovered to the project holder but payed into the account of the electricity market operator for the purpose of granting incentives.

(4) In the case referred to in Article 9 item 4 and Article 10 of this Regulation the amount of the collected guarantee referred to in paragraph 1 item 1 hereof or the payment made under paragraph 1 item 2 hereof shall not be recovered to the project holder but payed into the account of the electricity market operator for the purpose of granting incentives.

## Opening and evaluation of the bids

### Article 8

(1) The electricity market operator is entitled to open the mail containing the bids as soon as the deadline for the submittal of the bids has expired.

(2) The opening, evaluation and the filing of all the bids and the subsequent alterations and supplements shall be conducted by at least three employees of the electricity market operator and supervised by two authorised persons of the Croatian Energy Regulatory Agency. Invalid bids or bidders

#### Article 9

The electricity market operator shall inform the project holder bidding in the tender in writing where its bid is found invalid and that it shall not be considered in the following cases:

1. where the participating bidder has withdrawn from the bidding in line with Article 6 paragraph 10 of this Regulation,
2. where the bid fails to meet all the requirements laid down in Article 6 of this Regulation;
3. where the bid does not contain all the data and documents specified in the open call for tenders;
4. where it has been established that at any time relevant for the tender concerned the participating bidder submitted false or incorrect data or documents for the tender at issue or for any previous tender for the award of the market premium or a tender for granting incentives in the form of a guaranteed purchase price.

#### Repeated tender

#### Article 10

(1) In case of a suspected bid-rigging during the tendering procedure for the conclusion of the market premium agreement and/or the guaranteed purchase price (off-take) agreement for a particular installation group, the electricity market operator, with the consent of the competent ministry, shall be authorised to annul and re-open the tender for the total or a part of the bidding volume raising concerns about such collusive activities within six months after the winning bids have been announced.

(2) In case of the re-opening of the tender for a particular installation group within the meaning of paragraph 1 hereof, the repeated tendering procedure for the total or a part of the volume and subject to the previously set requirements shall be carried out within five weeks after the notice about the annulment of the previous tender or a part of the tender has been published.

#### Announcement of the winning bids

#### Article 11

(1) As soon as any invalid bids or bidders have been determined in line with Article 9 hereof, the valid bids shall be distributed according to the power generation installations in compliance with the open call for tenders.

(2) Where the sum of the connection capacities under the submitted valid bids is below or equal to the defined volume of the tender for a particular power generation installation group, all submitted valid bids for the power generation installation group concerned shall be declared the winning bids.

(3) Where the sum of the connection capacities of the power generation installations under the submitted valid bids in the tender for the award of the market premium is higher than the defined volume of the tender for a particular installation group, the winning bids shall be determined as follows:

1. the valid bids for the installation group concerned shall be arranged in accordance with the reference value indicated in the bid, from the lowest to the highest bid;

2. the bids with the same reference value shall be arranged in accordance with the connection capacity indicated in the bid, from the lowest to the highest bid.

(4) Where the sum of the connection capacities of the power generation installations under the submitted valid bids in the tender for the incentives granted in the form of a guaranteed purchase price is higher than the defined volume of the tender for a particular installation group, the winning bids shall be determined as follows:

1. the valid bids for the installation group concerned shall be arranged in accordance with the purchase price offered in the bid, from the lowest to the highest bid;

2. the bids with the same purchased price offered shall be arranged in accordance with the connection capacity indicated in the bid, from the lowest to the highest bid.

(5) The winning bids shall be all the bids arranged in the order provided under paragraphs 3 and 4 hereof that indicate the total sum of the connection capacities under individual bids that is lower or equal to the total volume of the tender for the power generation installation group concerned.

(6) To the sum of the connection capacities referred to in paragraph 5 hereof shall be added the connection capacity from one bid or the sum of the connection capacities from more bids indicating the same reference value or the guaranteed purchase price and the same connection capacity that are next in line after the last bid referred to in paragraph 5 hereof. If so calculated sum is lower than a 100 % of the total volume of the tender for the power installation group concerned, one or more additional bids referred to in this paragraph shall be declared the winning bids.

Announcement of the tender results and terms and conditions for signing of the market premium agreement and/or the guaranteed purchase price (off-take) agreement

#### Article 12

Within a time period not exceeding 30 days from the expiry of the deadline for the submittal of the bids the electricity market operator shall:

1. inform the bidding participants in writing whether their bids have been declared the winning bids in line with Article 11 of this Regulation;

2. inform the bidding participants in writing whether their bids have been found invalid and therefore have not been taken into consideration providing the reasons thereof;

3. inform the bidding participants in writing whose bids were valid but have not been pronounced the winning bids;

4. publish the amounts reflecting the highest and the lowest reference values contained in the winning bids and the amounts reflecting the highest and the lowest offered purchase prices contained in the winning bids;

5. publish the list of the bidding participants by sorting the names of the bidders in alphabetical order, the names of the projects, the connection capacities of the power generation installation and the local self-government unit where the project is located.

## Performance guarantee for the construction of the installation

### Article 13

(1) The bidding participants whose bids have been declared the winning bids shall submit to the electricity market operator a performance guarantee for the construction of the installation within a time period of 15 days from the receipt of the notice referred to under Article 12 hereof in the form of either:

1. a non-transferrable, irrevocable and unconditional bank guarantee to the beneficiary – the electricity market operator, payable at its first written demand, in the amount of HRK 300.00 per kW of the connection capacity of the power generation installation of the winning bid, issued by a commercial bank acceptable to the electricity market operator with a maturity period of at least one year from the day of the receipt of the notice referred to under Article 12 hereof,

or

2. a proof of the payment deposit in the amount of HRK 300.00 per kW of the connection capacity of the power generation installation of the winning bid made into the account of the electricity market operator.

(2) Where the project holder is not awarded the eligibility status for the market premium or a guaranteed purchase price within the meaning of this Regulation until the expiry of 30 days before the expiry of the maturity of the bank guarantee referred to under paragraph 1 item 1 hereof, the project holder shall submit to the electricity market operator, not later than 30 days before the expiry of the maturity of the bank guarantee referred to under paragraph 1 item 1 hereof, a new non-transferrable, irrevocable and unconditional bank guarantee issued on behalf of the electricity market operator, payable at its first written demand, in the amount of HRK 300.00 per kW of the connection capacity of the installation, issued by a commercial bank acceptable to the electricity market operator with a maturity period of at least one year after the expiry of the maturity of the previous bank guarantee.

(3) The project holder shall repeatedly submit to the electricity market operator a new first demand bank guarantee in line with paragraph 2 hereof as long as it has become eligible for the market premium or a guaranteed purchase price within the meaning of this Regulation.

(4) Unless the project holder submits to the electricity market operator a new first demand bank guarantee within the deadline and in line with the provisions referred to under paragraphs 2 and 3 hereof, the market premium agreement or the guaranteed purchase price (off-take) agreement shall be terminated.

(5) The bank guarantee for the bid at issue and referred to in paragraph 1 item 1 hereof or the payment referred to in paragraph 1 item 2 hereof and paragraphs 2 and 3 hereof shall be returned to the bidder immediately after it has been granted the eligibility status for the award of the market premium or the granting of the guaranteed purchase price within the meaning of the law regulating the renewables and high-efficiency cogeneration and the provisions of this Regulation.

(6) In case that the project holder is not awarded the eligibility status for the market premium or a guaranteed purchase price within the meaning of the law regulating the renewables and high-efficiency cogeneration and the provisions of this Regulation, and also in case of termination of the market premium contract or the guaranteed purchase price (off-take) agreement before a project holder has been granted the eligibility status for the market premium or a guaranteed purchase price, the amount under the collected bank guarantee referred to in paragraph 1 item 1 hereof and

paragraphs 2 and 3 hereof or the amount referred to in paragraph 1 item 2 hereof shall be transferred into the account of the electricity market operator for the purpose of granting incentives.

Conclusion of the market premium agreement or the guaranteed purchase price (off-take) agreement

#### Article 14

(1) Within 15 days from the day of the receipt of the performance guarantee for the construction of the power generation installation the electricity market operator shall deliver the signed proposal of the market premium agreement or the guaranteed purchase price (off-take) agreement to the project holders whose bids have been declared the winning bids and who have within 15 days from the day of the receipt of the notice referred to under Article 12 hereof submitted the performance guarantee for the construction of the installation in compliance with Article 13 hereof. The proposed agreements shall contain the terms and conditions provided in Article 15 hereof and the reference value specified in the winning bid or the guaranteed purchase price that equals the price identified in the winning bid.

(2) Unless the project holder delivers the signed agreement within 30 days from the receipt of the signed proposal of the agreement referred to under paragraph 1 hereof to the electricity market operator, it shall be deemed that it has withdrawn from the conclusion of the market premium agreement or the guaranteed purchase price (off-take) agreement.

#### Mandatory provisions of the agreement

#### Article 15

(1) The market premium agreement shall be concluded between the electricity market operator and the project holders whose bids have been assessed as the winning bids in the open tender for the award of the market premium in compliance with Article 11 hereof.

(2) The guaranteed purchase price (off-take) agreement shall be concluded between the electricity market operator and the project holders whose bids have been assessed as the winning bids in the open tender for granting incentives in the form of a guaranteed purchase price in compliance with Article 11 hereof, pursuant to which the project holder, within the meaning of the terms provided in the agreement concerned, becomes entitled to the purchase of electricity under the price specified in the winning bid of the project holder.

(3) The agreement referred to in paragraphs 1 and 2 hereof shall be concluded for a determined duration of 12 years from the day on which the status of the eligible producer has been obtained.

(4) The agreement referred to in paragraphs 1 and 2 hereof shall contain at least the following provisions:

1. duration of the agreement;
2. the name of the project and its registered number under the RES Register;
3. the list of the cadastral spatial units on which the power generation installation will be constructed;
4. the connection capacity of the power generation installation of the winning bid expressed in kW without decimal places;
5. reference to a valid planning permission or a building permit or any other document on the basis of which the construction of the installation has been permitted except for a simple cycle power plant;
6. reference to a prior connection authorisation or a connection authorisation;

7. that the reference value specified under the market premium agreement and the purchase price under the guaranteed purchase price (off-take) agreement are subject to annual corrections in relation to the determined corrected reference value of electricity or the determined corrected purchase price for the previous year applying the Average annual consumer price index published by the Croatian Bureau for Statistics for the previous calendar year, for all concluded valid market premium agreements or the guaranteed purchase price (off-take) agreements. The first reference value correction or the guaranteed purchase price correction shall apply in the calendar year following the year in which the agreement has been concluded.

8. that the market premium or the guaranteed purchase price shall be paid as soon as the project holder obtains the status of the eligible producer for the power generation installation or the power generation unit which is the subject of the agreement and submits the documentation referred to under Article 17 hereof to the electricity market operator;

9. that the market premium agreement or the guaranteed purchase price (off-take) agreement shall be terminated if the project holder loses the status of the eligible producer for the power generation installation or the power generation unit which is the subject of the market premium agreement or the guaranteed purchase price (off-take) agreement;

10. the provision containing the deadlines for the construction of the power generation installation;

11. the provision referring to the performance guarantee under Article 13 hereof;

12. the provision regulating the possibility of the assignment of claim under the agreement in compliance with Article 18 paragraph 4 hereof;

13. the provisions regulating the termination of the agreement and the guarantee for the payment of the market premium or the guaranteed purchase price.

(5) Besides the listed provisions under paragraph 4 hereof the market premium agreement shall also provide the following:

1. the local self-government unit in which the power generation installation will be constructed in compliance with the necessary permits;

2. the reference value indicated in the winning bid of the project holder expressed in HRK/kWh with two decimal places;

3. that the market premium in the monthly settlement period shall be paid on the basis of the net delivered electricity (net metering);

4. deadlines and terms of the payment of the market premium;

5. that the market premium shall be calculated pursuant to the Method for the calculation of the reference market prices in compliance with this Regulation;

6. that the market premium shall be paid exclusively for the net delivered energy delivered in the settlement intervals (hours) where the RSTC (*reference hourly market price*) is higher or equals zero (0);

(6) Besides the listed provisions under paragraph 4 hereof the guaranteed purchase price (off-take) agreement shall also provide the following:

1. the level of the guaranteed purchase price;

2. that during the test operation period 50 % of the guaranteed purchase price under the guaranteed purchase price (off-take) agreement shall be paid;

(7) The market premium agreement or the guaranteed purchase price (off-take) agreement with the eligible producer shall be terminated should it be established that the eligible producer concerned has gained the right to the market premium or the payment of the guaranteed purchase price on the basis of false or incorrect data.

(8) The market premium agreement or the guaranteed purchase price (off-take) agreement shall be terminated should the eligible producer and/or the power generation installation cease to meet the requirements stipulated by the law regulating the renewables and high-efficiency cogeneration and this Regulation.

## CHAPTER II

### ACQUISITION, EXERCISE AND WITHDRAWAL OF THE RIGHT FOR SUPPORT

How the right for support in the form of market premium or guaranteed purchase price is acquired, exercised and withdrawn

#### Article 16

(1) The right for the payment of the market premium or the guaranteed purchase price shall be acquired by the eligible producer of electricity for the power generation installation using the renewable energy sources or high-efficiency cogeneration provided that it:

1. has concluded a market premium agreement or a guaranteed purchase price (off-take) agreement with the electricity market operator;

2. has been issued the enforceable decision confirming its eligible electricity producer status or in the case of a simple cycle power plant that it has acquired the status of the eligible electricity producer in compliance with the regulation establishing the status of the eligible producer;

3. has met and has been permanently meeting the requirements laid down by this Regulation.

(2) The market premium agreement or the guaranteed purchase price (off-take) agreement shall apply from the day on which it has been concluded except for the part of the agreement relating to the payment of the market premium or the guaranteed purchase price.

(3) The eligible producer shall be revoked the right for the payment of the market premium or the guaranteed purchase price where:

1. the market premium agreement or the guaranteed purchase price (off-take) agreement has been terminated;

2. the eligible producer status has been withdrawn;

3. the power generation installation and/or the eligible producer no longer meets the requirements under the law regulating the renewables and high-efficiency cogeneration, the decision conferring the eligible electricity producer status, this Regulation or the market premium agreement or the guaranteed purchase price (off-take) agreement.

#### Article 17

(1) The eligible electricity producer shall exercise the right for the payment of the market premium or the guaranteed purchase price after it has communicated to the electricity market operator the following documents:

1. the enforceable decision confirming its eligible electricity producer status;
2. the statement identifying all received state aid as specified in the form provided by the electricity market operator that shall not be older than 30 days from the day of the receipt.

(2) In the case of a simple cycle power plant for the purpose of the acquisition of the right for the payment of the market premium or the guaranteed purchase price the eligible producer shall communicate to the electricity market operator the following documents:

1. a document proving a permanent connection to the electricity grid;
2. a certificate of the tax authority confirming the payment of all due tax liabilities and social security contributions and other statutory provisions that is not older than 30 days from the day of the receipt;
3. a certificate of no criminal record verified by the public notary with respect to the statement the natural person gives for him/herself or that the authorised representative gives for him/herself and for the legal person that he/she is representing indicating that against the applicant no legally valid sentence has been passed for a criminal offence such as: conspiracy in the criminal offense, commercial bribery involving the act of taking or receiving the bribe in business, abuse of power and authority, abuse of public office, illegal abuse of power for private gain, the act of receiving or taking the bribe, fraud, digital fraud, commercial fraud and money laundering, as specified by the form provided in the open call, not older than 30 days from the day of the receipt;
4. a certificate of no criminal record for the natural person or the legal person and the responsible person in the legal person of the applicant not older than 30 days from the day of the receipt;
5. a statement identifying all received state aid as specified in the form provided by the electricity market operator that shall not be older than 30 days from the day of the receipt.

### CHAPTER III

#### RIGHTS AND OBLIGATIONS OF THE PROJECT HOLDER, ELIGIBLE PRODUCER, ELECTRICITY MARKET OPERATOR, TRANSMISSION SYSTEM OPERATOR AND DISTRIBUTION SYSTEM OPERATOR WITH RESPECT TO ELIGIBILITY FOR SUPPORT

##### Rights and obligations of the project holder and the eligible electricity producer

##### Article 18

(1) The project holder that has concluded the market premium agreement or the guaranteed purchase price (off-take) agreement with the electricity market operator shall within the meaning of the concluded agreement concerned carry out the construction of the power generation installation and acquire the status of the eligible electricity producer with respect to the installation concerned.

(2) Where in the course of the duration of the market premium agreement or the guaranteed purchase price (off-take) agreement the project holder or the eligible electricity producer changes, the new project holder or the eligible electricity producer shall communicate to the electricity market operator the following original documents or the verified copies thereof:

1. the enforceable decision on the amendments to the decision on the acquisition of the status of the eligible electricity producer;

2. a certificate of the tax authority confirming the payment of all due tax liabilities and social security contributions and other statutory provisions that is not older than 30 days from the day of the receipt;
3. a certificate of no criminal record verified by the public notary with respect to the statement the natural person gives for him/herself or that the authorised representative gives for him/herself and for the legal person that he/she is representing indicating that against the applicant no legally valid sentence has been passed for a criminal offence such as: conspiracy in the criminal offense, commercial bribery involving the act of taking or receiving the bribe in business, abuse of power and authority, abuse of public office, illegal abuse of power for private gain, the act of receiving or taking the bribe, fraud, digital fraud, commercial fraud and money laundering, as specified by the form provided in the open call, not older than 30 days from the day of the receipt;
4. a certificate of no criminal record for the natural person or the legal person and the responsible person in the legal person of the applicant not older than 30 days from the day of the receipt;
5. a statement identifying all received state aid as specified in the form provided by the electricity market operator that shall not be older than 30 days from the day of the receipt.

(3) The project holder or the eligible electricity producer shall inform the transmission system operator and/or the distribution system operator about any changes with respect to the project holder or the eligible electricity producer within 30 days from the day on which the change has occurred.

(4) The project holder or the eligible electricity producer can assign the claim under the market premium agreement or the guaranteed purchase price (off-take) agreement exclusively with the view to covering for the loan for the construction of the power generation installation under the market premium agreement or the guaranteed purchase price (off-take) agreement and for that purpose have a lien placed upon the collateral asset under the contract within the meaning of specific rules, exclusively by financial institutions that provide financing for the construction of the installation that is the subject of the market premium agreement or the guaranteed purchase price (off-take) agreement.

(5) For the purpose of obtaining the right for the payment of incentives and for the establishment of the market premium or the guaranteed price, the eligible producer shall submit the Statement on all received aid until the decision on the acquisition of the status of the eligible producer has become legally valid.

(6) Where the project holder is a beneficiary of any kind of aid for the construction of the power generation installation or the power generation unit, the electricity market operator shall reduce the amount of the market premium or the level of the guaranteed purchase price for the project holder concerned in line with the methodology used in the state aid scheme for renewable energy sources.

(7) Upon the request of the electricity market operator the project holder or the eligible electricity producer shall communicate all the required documentation and data enabling the scrutiny of the documentation on the basis of which the project holder or the eligible producer has acquired the rights pursuant to the law regulating the renewables and high-efficiency cogeneration and this Regulation.

(8) The eligible electricity producer shall permanently comply with the criteria on the basis of which it has acquired the status of the eligible electricity producer and meet the technical and operational conditions of the power generation installation for which the status of the eligible electricity producer has been acquired as laid down by the law regulating the renewables and high-efficiency cogeneration and this Regulation.

(9) The eligible electricity producer shall permanently comply with the efficiency requirements and the requirements related to the use of raw materials and fuels on the basis of which it has been awarded the market premium or granted the guaranteed purchase price.

(10) The eligible electricity producer shall communicate the annual production plans, monthly data and reports on the realization of the annual production plans within the meaning of the regulation on the use of the renewables and high-efficiency cogeneration.

(11) The project holder or the eligible electricity producer shall also meet all other requirements laid down by the law regulating the renewables and high-efficiency cogeneration and this Regulation.

Rights and obligations of the electricity market operator and calculation and payment of the market premium and the guaranteed purchase price

#### Article 19

(1) Within the meaning of the law regulating the renewables and high-efficiency cogeneration and this Regulation the electricity market operator shall:

- carry out the tenders for the award of the market premium and for the granting of incentives in the form of a guaranteed purchase price;
- conclude the market premium agreements and the guaranteed purchase price (off-take) agreements with the project holders whose bids have been assessed as the winning bids;
- once a month pay a market premium calculated for the net delivered electricity to the eligible electricity producer with which it has concluded the market premium agreement;
- once a month pay the guaranteed purchase price for the net delivered electricity to the eligible electricity producer with which it has concluded the guaranteed purchase price (off-take) agreement.

(2) The electricity market operator shall make the payments referred to in paragraph 1 subparagraphs 3 and 4 hereof within 30 days from the day of the issuance of the invoice by the eligible electricity producer that is eligible for the payment of the incentives concerned.

(3) The electricity market operator is empowered to ask the eligible electricity producer that is eligible for support to submit any documentation and data necessary for the examination of whether the requirements for the payment of incentives have been met.

(4) The electricity market operator shall also comply with all other obligations laid down by the law regulating the renewables and high-efficiency cogeneration and this Regulation.

Duties of the transmission system operator and the distribution system operator and delivery of the metering data

#### Article 20

(1) The transmission system operator and the distribution system operator shall ensure and deliver to the electricity market operator the metering data necessary for the calculation of the market premium and the guaranteed purchase price incentives and the planning of the electricity production of the eco balance group members in compliance with the law regulating the renewables and high-efficiency cogeneration, this Regulation and the rules for the management of the eco balance group.

(2) The transmission system operator or the distribution system operator shall provide the measurements of the net delivered electricity into the electricity grid for the project holder that

concluded a guaranteed purchase price (off-take) agreement with the electricity market operator, during the testing period until the start of the application of the power purchase agreement.

(3) During the testing period referred to under paragraph 2 hereof the transmission system operator or the distribution system operator shall deliver to the electricity market operator the metering data necessary for the calculation of electricity delivered into the electricity system, not later than on the 10<sup>th</sup> day in the calendar month following the month in which the project holder acquired the status of the eligible electricity producer.

(4) Pursuant to the regulation on the use of the renewables and high-efficiency cogeneration the transmission system operator and the distribution system operator shall submit the data on the total net delivered electricity to the electricity market operator, not later than on the 10<sup>th</sup> day of each calendar month for each power generation installation or power generation unit for which the market premium agreement or the guaranteed purchase price (off-take) agreement or the power purchase agreement applying the Tariff system for the production of electricity from the renewable sources of energy and cogeneration, Official Gazette 33/07), the Tariff system for the production of electricity from the renewable sources and cogeneration, Official Gazette 63/12, 121/12 and 144/12, or the Tariff system for the production of electricity from the renewable resources and cogeneration, Official Gazette 133/13, 151/13, 20/14, 107/14 and 100/15 has been concluded with the electricity market operator.

(5) The transmission system operator and the distribution system operator shall also comply with all other requirements laid by the law regulating the renewables and high-efficiency cogeneration and this Regulation.

#### CHAPTER IV

#### METHODOLOGY FOR THE CALCULATION OF THE MAXIMUM REFERENCE VALUES AND THE MAXIMUM GUARANTEED PURCHASE PRICES

##### Article 21

(1) The Methodology for the calculation of the maximum reference values and the maximum guaranteed purchase prices shall stipulate the method of calculation of the maximum reference values and the maximum guaranteed purchase prices for the purpose of the carrying out of the tender for the award of the market premium and the tender for the incentives in the form of the guaranteed purchase price.

(2) The values of all input parameters as well as the values calculated on the basis of the Methodology for the calculation of the maximum reference values and the maximum guaranteed purchase prices shall be expressed and calculated in the associated units and rounded to two decimal places.

(3) The Methodology for the calculation of the maximum reference values and the maximum guaranteed purchase prices referred to in paragraph 1 hereof shall also apply to innovative technologies of the installation groups in compliance with the renewable energy approval.

##### Article 22

(1) Once a year, not later than on 1<sup>st</sup> April, the electricity market operator shall determine and publish on its web site the maximum reference values under the market premium support scheme and the maximum guaranteed purchase prices for the power generation installation groups under the classification provided under Article 4 of this Regulation.

(2) The maximum reference values and the maximum guaranteed purchase prices referred to in paragraph 1 hereof shall be determined applying the Methodology for the calculation of the maximum reference values and the maximum guaranteed purchase prices on the basis of the input parameters under Article 24 of this Regulation for the current year.

#### Article 23

The values of the production costs (PT) shall be calculated on the basis of the estimation of the total annual electricity production cost from the reference power generation installation expressed in HRK/MWh determined by the electricity market operator once a year for the groups of power generation installations under the classification provided under Article 4 of this Regulation, in accordance with the calculation laid down under the Methodology for the calculation of the maximum reference values and the maximum guaranteed purchase prices. The calculation is made in accordance with the input parameters referred to under Article 24 of this Regulation as determined by the electricity market operator for a specific power generation installation group.

#### Article 24

(1) The parameters that are used for the calculation of the production costs of the reference power generation installations are as follows:

1. annual equivalent full load hours	flh [h]
2. electrical efficiency of the power generation installation	$E_{\eta}$ [%]
3. thermal efficiency of the power generation installation	$H_{\eta}$ [%]
4. share of own contribution in investment cost	eq [%]
5. requested return on equity	roe [%]
6. loan interest rate	r [%]
7. return with the weighted average cost of capital	WACC[%]
8. duration of the market premium agreement or guaranteed purchase price (off-take) agreement	n [god]
9. total investment cost per installed capacity unit	Inv [HRK/MW]
10. overall annual operating costs (less fuel costs) per installed capacity unit	Op [HRK /MW]
11. fuel costs per unit of lower energy value of the fuel	Gor [HRK /MWh]
12. investment cost per power generation unit	Tinv [HRK /MWh]
13. operating costs (less fuel costs) per power generation unit	Top [HRK /MWh]
14. total fuel cost per power generation unit	Tgor [HRK /MWh]
15. calculated value of thermal energy	Vtop [HRK /MWh]
16. value of the generated thermal energy per power generation unit	Ptop [HRK /MWh].

(2) The parameters “electrical efficiency”, “thermal efficiency”, “fuel costs” and “value of the generated thermal energy” shall be used only in the calculation of the production costs of the installations falling into groups d., f., and g. as stipulated under Article 4 paragraph 1 hereof, whereas in the calculation of the production costs (PT) for the installations falling into other groups the said parameters shall not be used, in other words, in the formulas referred to in Article 26 hereof 0 (zero) shall be applied.

(3) The investment cost and the annual operating cost (less fuel cost) shall be determined in HRK per MW of the installed capacity of the installation.

(4) The total fuel cost shall be determined in HRK per MWh where the lower energy value of the fuel will be used as energy value.

(5) The thermal energy – heat calculation value (internalized value per unit) shall be expressed in HRK per MWh and calculated with respect to the final energy consumed from cogeneration.

(6) Investment costs shall include: the project development cost, the purchase of land or the costs relating to the building and other construction permits, the project documentation costs, the costs of the construction preparatory and construction studies, construction works, the purchase of equipment, the costs relating to the connection to the electricity network and other infrastructure, the costs relating to the drafting of the financial scheme, the costs of expertise and other services necessary for the preparation, construction and starting-up of the operation of the power generation installation.

(7) Operating costs shall include: the plant maintenance cost (overheads), the costs relating to the management of the power generation installation, the employees' wages costs, the administration and insurance costs, costs for all fees and levies, the equipment servicing costs and costs of professional and other services necessary for the operation of the power generation installation.

(8) The investment costs and the operating costs shall be determined by the electricity market operator on the basis of the market parameters relating to the developments of projects in the Republic of Croatia and the European Union, taking into account the specific features of the different technologies, the technology advances and experience in the deployment of power generation installations, the prices and pricing trends of fuels and raw materials in the market and other relevant parameters.

(9) The electricity market operator shall determine the values of the input parameters in the sense of the levelized costs of electricity in the time line of the market premium agreement or the guaranteed purchase price (off-take) agreement, where the foreseeable changes in the values concerned will be taken into account, such as the expected increase or decrease in the fuel costs, the expected rise or fall in the maintenance costs (overheads) and other operating costs.

#### Revisions of the values of the input parameters

#### Article 25

The electricity market operator shall revise the values of the input parameters referred to in Article 24 hereof every year until the 31<sup>st</sup> of January for the power generation installation groups under the classification provided in Article 4 hereof and on the basis of the revised input parameters determine new amounts of the maximum reference values and the maximum guaranteed purchase prices.

## Calculation of production costs

### Article 26

(1) The production costs per generation unit shall be calculated according to this formula:

$$PT = T_{inv} + T_{op} + T_{gor} - P_{top}$$

(2) The amount of the investment costs per generation unit  $T_{inv}$ , shall be calculated on the basis of the annuity formula in order to ensure the requested rate of return on capital in the duration period of the market premium agreement or the guaranteed purchase price (take-off) agreement by using the following formula:

$$T_{inv} = \frac{Inv}{flh} \cdot \frac{WACC \cdot (1 + WACC)^n}{(1 + WACC)^n - 1}$$

(3) The return with the weighted average cost of capital shall be calculated by using the following formula:

$$z = WACC = eq \cdot roe + (1 - eq) \cdot r$$

(4) The operating costs (less fuel costs) per unit of the generated electricity [HRK/MWh] shall be calculated by using the following formula:

$$T_{op} = \frac{Op}{flh}$$

(5) The cost of fuel per unit of the generated electricity [kn/MWh] shall be calculated by using the following formula:

$$T_{gor} = \frac{Gor}{E\eta}$$

(6) The value of the generated heat energy per unit of the generated electricity [HRK /MWh] shall be calculated by using the following formula:

$$P_{top} = \frac{V_{top} \cdot H\eta}{E\eta}$$

## CHAPTER V

### METHODOLOGY FOR THE CALCULATION OF THE ELECTRICITY REFERENCE MARKET PRICES

#### Article 27

(1) The Methodology for the calculation of the reference market prices shall prescribe the method of calculating the reference market prices for individual power generation installation groups for the purpose of the calculation of the market premium.

(2) The values of all input parameters as well as the values calculated applying the Methodology for the calculation of the reference market prices shall be expressed and calculated in the associated units and rounded to two decimal places.

#### Article 28

(1) The electricity reference market prices for each group of the power generation installations referred to under Article 4 hereof shall be determined by the electricity market operator in line with

the Methodology for the calculation of the reference market prices on the monthly basis at the latest until the 15<sup>th</sup> day of the month for the previous month.

(2) By way of derogation from paragraph 1 hereof the reference market prices shall not be determined for the groups of power generation installations where pursuant to any market premium agreement that has been concluded until the point of time concerned, the right to incentives within the meaning of this Regulation has not been conferred.

## Article 29

### Calculation of reference market prices

(1) The reference market price for the power generation installations falling into the group a. as stipulated under Article 4 paragraph 1 of this Regulation shall be determined as follows:

$$k_{SE} \cdot RTC_{SE}.$$

(2) The reference market price for the power generation installations falling into the group c. as stipulated under Article 4 paragraph 1 of this Regulation shall be determined as follows:

$$k_{VE} \cdot RTC_{VE}.$$

(3) The uniform reference market price for all the remaining groups of power generation installation with the exception of groups a. and c. as stipulated under Article 4 paragraph 1 of this Regulation shall be determined as

$$k \cdot RTC.$$

(4) For the years of 2019 and 2020 the correction factors shall amount to:

$$k = 0.95$$

$$k_{SE} = 0.9$$

$$k_{VE} = 0.85.$$

(5) Starting with the year of 2021 the correction factors values shall be increased every year by the following amounts, relating to the amount from the previous year:

– the correction factor k shall be increased by the amount of 0.005

– the correction factor k<sub>SE</sub> shall be increased by the amount of 0.01

– the correction factor k<sub>VE</sub> shall be increased by the amount of 0.015.

(6) After the year of 2030 all correction factors shall amount to 1.

## Article 30

(1) The values of RTC, RTC<sub>SE</sub> i RTC<sub>VE</sub> referred to in Article 29 hereof shall be calculated for every month by using the following formulas:

$$\begin{aligned}
- \text{RTC} &= \frac{\sum_{i=1}^n \text{RSTC}_i}{n} \\
- \text{RTC}_{SE} &= \frac{\sum_{i=1}^n (\text{RSTC}_i \cdot \text{SE}_i)}{\sum_{i=1}^n \text{SE}_i} \\
- \text{RTC}_{VE} &= \frac{\sum_{i=1}^n (\text{RSTC}_i \cdot \text{VE}_i)}{\sum_{i=1}^n \text{VE}_i}
\end{aligned}$$

where:

1.  $i$  is the ordinal number of the settlement interval in the month for which the calculation is made
2.  $n$  is the number of the settlement intervals in the month for which the calculation is made
3.  $\text{RTC}$  is the electricity reference price for the monthly settlement interval for which the calculation is made [kn/MWh]
4.  $\text{RSTC}_i$  is the reference day ahead hourly price of electricity for the settlement interval  $i$  [HRK /MWh]
5.  $\text{RTC}_{SE}$  is the reference market price for solar power plants for the monthly settlement interval for the purpose of the calculation of the market premium [HRK /MWh]
6.  $\text{RTC}_{VE}$  is the reference market price for wind farms for the monthly settlement interval for the purpose of the calculation of the market premium [HRK /MWh]
7.  $\text{SE}_i$  is net electricity delivered from all solar power plants in the Republic of Croatia in the settlement interval  $i$ , for which the electricity market operator has the available data within the meaning of Article 20 hereof [MWh]
8.  $\text{VE}_i$  is net electricity delivered from all wind farms in the Republic of Croatia in the settlement interval  $i$ , for which the electricity market operator has the available data within the meaning of Article 20 hereof [MWh].

(2) The settlement interval referred to in the previous paragraph hereof is 1 (one) hour.

(3) The value of the reference hourly market prices of electricity  $\text{RSTC}_i$  referred to in paragraph 1 hereof for each settlement period in a month shall be calculated applying the following formula:

$$\text{RSTC}_i = \text{CROPEX}_i$$

where:

$\text{CROPEX}_i$  is the day ahead hourly price of electricity for the settlement interval  $i$  on the Croatian power exchange CROPEX (<http://www.cropex.hr/>) [HRK /MWh].

(4) In the case of absence of the hourly prices on the power exchange referred to under paragraph 3 hereof, for the settlement interval concerned the reference market price of electricity shall apply the amount of the reference market price of electricity calculated for the same settlement interval on the previous day.

(5) The hourly prices under paragraph 1 hereof shall be expressed in equivalent Croatian Kuna value using the Croatian National Bank midpoint exchange rate for the relevant currency in the relevant settlement period.

## Article 31

The eligible producers shall be paid the market premium exclusively for the net electricity delivered in the settlement intervals (hours) where the value of  $RSTC_i$  is higher than or equals zero.

## CHAPTER VI

### ANCILLARY PROVISIONS

The deadlines for the acquisition of the status of the eligible electricity producer for a power generation installation for which a market premium agreement or a guaranteed price (take-off) agreement has been concluded

## Article 32

(1) The project holder that has concluded a market premium agreement or a guaranteed purchase price (off-take) agreement with the electricity market operator shall acquire the status of the eligible producer of electricity for the power generation installation or the power generation unit for which the market premium agreement or the guaranteed purchase price (off-take) agreement has been concluded within four years for the installation concerned.

(2) The deadlines referred to in paragraph 1 hereof shall begin to run on the day on which the market premium agreement or the guaranteed purchase price (off-take) agreement has been concluded. The agreement is deemed to be concluded on the day of placing the signature by both parties to the agreement.

(3) If within the deadline prescribed under paragraph 1 hereof the project holder does not submit to the electricity market operator the proof that it has acquired the status of the eligible producer of electricity in compliance with the regulation on the use of renewables and high-efficiency cogeneration, the market premium agreement and the guaranteed purchase price (off-take) agreement concluded with the electricity market operator shall be terminated.

## Article 33

Should the project holder fail to construct the power generation installation within the deadlines prescribed by the rules regulating the building permit, due to which the validity of the decision on the basis of which it has been permitted the construction, the market premium agreement or the guaranteed purchase price (off-take) agreement that has been concluded with the electricity market operator shall be terminated.

### Changes during the construction of the power generation installation

## Article 34

(1) Where the project holder that has concluded the market premium agreement or the guaranteed purchase price (off-take) agreement with the electricity market operator has made changes in the planning permission and/or the building permit and/or the location terms, compared with the tender documentation on the basis of which the agreement concerned has been originally concluded with the electricity market operator, the project holder shall submit to the electricity market operator the relevant decisions and other documentation with respect to the changes concerned in the time period not exceeding 30 days from the day on which the change has been made.

(2) Where the change referred to in paragraph 1 hereof implies the increase of the planned capacity of the power generation installation, the electricity market operator shall terminate the market premium agreement or the guaranteed purchase price (off-take) agreement.

#### Article 35

Before the payment of the market premium and the guaranteed purchase price for the electricity concerned is made, the project holder, i.e. the eligible producer of electricity shall communicate to the electricity market operator the Statement on all received aid using the form defined by the electricity market operator that shall not be older than 30 days from the day of the receipt.

Terms of recovery of paid incentives in case where the right to incentives has been withdrawn

#### Article 36

(1) Where the market premium agreement or the guaranteed purchase price (off-take) agreement has been terminated due to the submittal of false or incorrect data within the meaning of Article 15 paragraph 7 hereof, the entire amount of the used aid shall be repaid by the project holder to the electricity market operator increased by the determined and published reference rate calculated by adding 100 basis points to the base rate within the meaning of the state aid rules in effect.

(2) Where the market premium agreement or the guaranteed purchase price (off-take) agreement has not been terminated, but the Croatian Energy Regulatory Agency establishes irregularities or drawbacks in the operation of the power generation installation which is the subject of the market premium agreement or the guaranteed purchase price (off-take) agreement, or where it establishes that the power generation installation does not comply with the requirements on the basis of which the status of the eligible producer of electricity has been acquired, it shall inform the electricity market operator about the irregularities or drawbacks concerned.

(3) In the case referred to in paragraph 2 hereof during the time period in which the eligible producer has undertaken to rectify the irregularities or drawbacks and as long it has actually removed the established irregularities or drawbacks, the eligible producer shall not be entitled to the payment of the market premium. Where a guaranteed purchase price (off-take) agreement has been concluded, in the period concerned the eligible producer shall be paid the reference market price by the electricity market operator.

(4) Where in the time period referred to in paragraph 3 hereof and in the period during which the power generation installation did not meet the requirements on the basis of which the status of the eligible producer of electricity has been acquired in the first place, the market premium or the guaranteed purchase price has been paid to the eligible producer, the eligible producer shall make the recovery of the whole sum to the electricity market operator within a period of 30 days.

## PART FOUR

### BALANCING FEE PAID BY THE ECO BALANCE GROUP MEMBERS TO COMPENSATE FOR THE BALANCING COSTS

#### Balancing fee

#### Article 37

(1) The eco balance group members whose connection capacity exceeds 50 kW shall pay to the electricity market operator a monthly fee to compensate for the energy balancing costs (hereinafter referred to as: balancing fee).

(2) The balancing fee referred to in paragraph 1 hereof shall be calculated in HRK per kWh of the net electricity delivered into the electricity network with two decimal places, for a settlement period of one calendar month.

(3) The balancing fee for the eco balance group members whose power generation installations fall into group a. referred to in Article 4 paragraph 1 hereof shall amount to HRK 0.01 per kWh of the net electricity delivered into the electricity network.

(4) The balancing fee for the eco balance group members whose power generation installations fall into group c. referred to in Article 4 paragraph 1 hereof shall amount to HRK 0.015 per kWh of the net electricity delivered into the electricity network.

(5) The balancing fee for the eco balance group members whose power generation installations fall into other groups referred to in Article 4 hereof shall amount to HRK 0.003 per kWh of the net electricity delivered into the electricity network.

(6) Every member of the eco balance group shall regularly pay the balancing fee stipulated by this Regulation.

(7) The payment of the balancing fee shall be due 10 days after day on which the invoice for the balancing fee is issued by the electricity market operator.

(8) The level of the balancing fee shall be corrected at the beginning of the current calendar year relative to the level of the balancing fee in the previous calendar year using the percentage that equals the change of the Average annual consumer price index published by the Croatian Bureau for Statistics for the previous calendar year. The first balancing fee correction shall apply from the beginning of the calendar year following the year in which this Regulation is adopted.

(9) In addition, the level of the balancing fee for the current calendar year shall be subject to the following conditions:

1. the first correction shall not be made in the first incomplete calendar year and the first two complete calendar years from the start of the operation of the eco balance group;

2. the first correction shall be made in the case where in the previous year the unit balancing cost of the eco balance group has been more than 10 % lower or higher than the unit cost incurred in the first complete calendar year starting from the beginning of the operation of the eco balance group;

3. any following correction shall be made in the case where in the previous calendar year the unit balancing cost of the eco balance group has been more than 10 % lower or higher than the unit balancing cost of the eco balance group incurred in the calendar year in which the last correction of the level of the balancing fee has been made in compliance with this Article;

4. the level of the balancing fee shall be reduced or increased by a percent amount that is equal to the full percent amount of the reduction or the increase of the unit balancing cost of the eco balance group within the meaning of items 1 or 2 hereof, rounded to one decimal place.

(10) The unit balancing cost referred to Article 9 hereof shall be calculated as the ratio of the total annual balancing cost of the eco balance group over the total net electricity delivered into the network by the members of the eco balance group in the year concerned expressed in HRK/MWh.

(11) The balancing fee for the members of the eco balance group shall be calculated for the net delivered electricity starting from the 1 January 2019.

(12) The electricity market operator is entitled to charge the corrected balancing fee rounded to three decimal places as soon as the conditions for the correction of the balancing fee have been met and as soon as the members of the eco balance group that are subject to the balancing fee payment have been informed thereon in the prior note published by the electricity market operator on its web site.

## FINANCIAL INSTRUMENTS SECURING THE PAYMENT OF THE BALANCING FEE

### Types and values of financial instruments

#### Article 38

(1) With the view to securing the payment of the balancing fee any member of the eco balance group shall submit to the electricity market operator a non-transferrable, irrevocable and unconditional bank guarantee to the beneficiary – the electricity market operator, payable at its first written demand, issued by a commercial bank acceptable to the electricity market operator.

(2) Instead of the bank guarantee a member of the eco balance group can make a transaction deposit into the account of the electricity market operator.

(3) The bank guarantee referred to in paragraph 1 hereof shall have a maturity period of at least 12 months from the day of the issuance (hereinafter referred to as: maturity period of the financial instruments).

(4) The maturity of the deposit referred to under paragraph 2 hereof shall run as long as the eligible producer is a member of the eco balance group or as long as the deposit has been replaced by the bank guarantee with no extension of the maturity period.

(5) The amount that is being secured by the first financial instrument that has been submitted by the member of the eco balance group to the electricity market operator in line with paragraphs 1 and 2 hereof shall equal the amount of the estimated balancing fee for the two-month period for this particular member of the eco balance group.

(6) The amount of the estimated balancing fee for the member of the eco balance group for the two-month period shall be determined by the electricity market operator.

(7) The amount that is secured by any further financial instrument that a member of the eco balance group submits to the electricity market operator following the first financial instrument in line with paragraph 4 hereof shall equal the amount of the balancing fee for a two-month period for the member of the balance group concerned.

(8) The value of the financial instrument shall be determined in on the basis of the sum of the two-month obligation of the members of the eco balance group regarding the payment of the eco balance group management charges. The starting value of the financial instrument for the membership of the eco balance group shall be determined on the basis of the estimation of the two-month obligation of the members of the eco balance group in line with the estimated annual balancing fee of the future members of the eco balance group. The starting two-month obligation of the members of the eco balance group shall be calculated as a multiplication of the estimated monthly eco balance group management charges and the number of months.

(9) Within the entire maturity period of the financial instruments the electricity market operator shall dispose over the full value of the financial instruments concerned as specified under paragraphs 4 and 6 hereof.

(10) The electricity market operator shall inform each member of the eco balance group by e-mail and/or in writing about the amounts that must be secured by means of a bank guarantee or by making a deposit within the meaning of paragraphs 1 and 2 hereof.

#### Settling of the payment of the balancing fee

##### Article 39

Where the member of the eco balance group does not settle the due payments in respect of the balancing fee, the electricity market operator shall be empowered under the provisions of the civil obligations code to set-off claims of the electricity market operator towards the member of the eco balance group regarding the payment of the balancing fee against the claims of the member of the eco balance group towards the electricity market operator on any grounds whatsoever, including the purchase of electricity.

#### Deadline for the submittal of financial instruments

##### Article 40

(1) A member of the eco balance group shall submit to the electricity market operator the first financial instrument in compliance with the requirements provided under Article 38 hereof not later than within 15 days from the day of entry into force of this Regulation.

(2) Where a bank guarantee in line with Article 38 paragraph 1 hereof is submitted, a member of the eco balance group shall submit any following bank guarantee in compliance with the requirements provided under Article 38 hereof not later than within 14 days before the maturity period of the valid bank guarantee has expired.

(3) Where a financial instrument in the form of a deposit into the account of the electricity market operator has been made in line with Article 38 paragraph 2 hereof, after the maturity period of the financial instrument for which the deposit has been made has expired, the electricity market operator shall be entitled to keep the paid amount of the deposit for the following maturity period of the financial instrument concerned.

(4) Where a member of the eco balance group wants to swap i.e. exchange one financial instrument for another as referred to in its obligation to submit a financial instrument to the electricity market operator in line with Article 38 paragraphs 1 and 2 hereof, a member of the eco balance group shall at the latest within 14 days before the expiry of the maturity period of the current financial instrument inform the electricity market operator by e-mail and/or in writing about its intent to make a swap i.e. exchange one financial instrument for another and at the same time submit the financial instrument replacing the original one in line with Article 38 paragraph 1 or Article 38 paragraph 2 hereof.

(5) In the case referred to under paragraph 4 hereof the electricity market operator shall examine whether the submitted financial instrument is in compliance with Article 38 paragraph 1 or Article 38 paragraph 2 hereof and inform the member of the eco balance group about the appropriateness of the proposed financial instrument replacing the original financial instrument within a further time period of 14 days.

(6) In case where a part of or full value of the financial instrument is invoked, a member of the eco balance group shall within 8 days from the day of invocation submit to the electricity market operator a new financial instrument so as to ensure the electricity market operator to dispose of the financial instrument in its full value as referred to in Article 38 paragraphs 5 and 8 hereof during the entire maturity period of the financial instrument concerned.

(7) Where during the maturity period of the financial instrument the amount of the balancing fee increases due to the correction of the balancing fee within the meaning of Article 37 thereof, the member of the eco balance group shall submit to the electricity market operator a new or additional financial instrument within eight days from the receipt of the written request of the electricity market operator, thus ensuring that the electricity market operator disposes of the full value of the financial instrument during the entire maturity period of the financial instrument concerned as referred to in Article 38 paragraphs 5 and 8 hereof.

(8) Where the member of the eco balance group fails to submit a new bank guarantee that in its entirety complies with this Regulation within the prescribed deadline, the electricity market operator is empowered to collect the entire value of the previously submitted bank guarantee before the expiration of its maturity period without sending any reminder to the member of the eco balance group concerned and to deposit the amount so charged into a special account and use it for the purposes the bank guarantee of the member of the eco balance group concerned was issued in compliance with this Regulation.

## Communication

### Article 41

Unless otherwise specified under the guaranteed purchase price (off-take) agreement, the market premium agreement or this Regulation, all notifications and other information between the electricity market operator and the member of the eco balance group shall be exchanged primarily by email. Otherwise all the above mentioned information and other communication shall be sent by registered mail with confirmation of a delivery note or courier services or personal attention or by fax.

## PART FIVE

### TRANSITIONAL AND FINAL PROVISIONS

#### Adjustment of the measurement equipment and the fuel consumption record

##### Article 42

The eligible producers that have been issued a decision on the acquisition of the status of the eligible producer pursuant to the Ordinance on the acquisition of the status of the eligible producer of electricity, Official Gazette 67/7 and 35/11, the Ordinance on the acquisition of the status of the eligible producer of electricity, Official Gazette 88/12, or the Ordinance on the acquisition of the status of the eligible producer of electricity, Official Gazette 132/13, 81/14, 93/14, 24/15, 99/15 and 110/15, shall provide the measurement equipment and the fuel consumption record system for the installations that use fossil fuels or renewables and waste in line with the regulation on the use of renewables and high efficiency cogeneration within a time period not exceeding 12 months from the day of entry into force of this Regulation.

#### Incentive price correction

##### Article 43

(1) The project holder that on the day of entry into force of this Regulation has had concluded a valid power purchase agreement with the electricity market operator pursuant to the Tariff system for the production of electricity from renewable energy sources and cogeneration, Official Gazette 63/12, 121/12 and 144/12, or the Tariff system for the production of electricity from renewable energy sources and cogeneration, Official Gazette 133/13, 151/13, 20/14, 107/14 and 100/15, but has not acquired the status of the eligible producer of electricity, shall comply with the efficiency criteria provided in the regulation on the use of renewables and high efficiency cogeneration.

(2) The Croatian Energy Regulatory Agency shall decide whether the efficiency criteria provided in the regulation on the use of renewables and high efficiency cogeneration referred to under paragraph 1 hereof have been met and it shall inform thereabout the electricity market operator that makes the correction of the incentive price applying the rules under the Tariff system for the production of electricity from renewable energy sources and cogeneration pursuant to which the guaranteed purchase price (off-take) agreement has been concluded.

##### Article 44

(1) The project holder that on the day of entry into force of this Regulation has had concluded a valid power purchase agreement with the electricity market operator pursuant to the Tariff system for the production of electricity from renewable energy sources and cogeneration, Official Gazette 33/07, the Tariff system for the production of electricity from renewable energy sources and cogeneration, Official Gazette 63/12, 121/12 and 144/12, or the Tariff system for the production of electricity from renewable energy sources and cogeneration, Official Gazette 133/13, 151/13, 20/14, 107/14 and 100/15, for which the status of the eligible producer of electricity has been acquired pursuant to the Ordinance on the acquisition of the status of the eligible producer of electricity, Official Gazette 67/7 and 35/11, the Ordinance on the acquisition of the status of the eligible producer of electricity, Official Gazette 88/12, or the Ordinance on the acquisition of the status of the eligible producer of electricity, Official Gazette 132/13, 81/14, 93/14, 24/15, 99/15 and 110/15), shall comply with the efficiency

criteria provided in the Tariff system pursuant to which the power purchase agreement has been concluded.

(2) The Croatian Energy Regulatory Agency shall decide whether the efficiency criteria provided under paragraph 1 hereof have been met and it shall inform thereabout the electricity market operator that makes the correction of the incentive price applying the rules under the Tariff system for the production of electricity from renewable energy sources and cogeneration pursuant to which the power purchase agreement has been concluded.

#### First open call for tenders for incentives

##### Article 45

(1) Within the time period of six months from the day of entry into force of this Regulation the electricity market operator shall publish the first public call for tenders in 2019 for the bidding in an open tendering procedure for the award of the market premium and the open tendering for granting a guaranteed purchase price, covering the power generation installation groups under the classification referred to under Article 4 hereof for which the available quotas for 2019 have been published.

(2) Within the time period of six months from the day of entry into force of this Regulation the electricity market operator shall define and publish on its website the maximum reference values and the maximum guaranteed purchase prices for the power generation installation groups under the classification provided under Article 4 hereof for which the available quotas for 2019 have been published.

#### Expiry of validity

##### Article 46

On the day of entry into force of this Regulation the validity of Articles 4, 5, 6, 7 and 8 of the Ordinance on the use of renewable sources of energy and cogeneration, Official Gazette 88/12 shall expire.

#### Ongoing procedures

##### Article 47

To the procedures that have been opened pursuant to the Ordinance on the use of renewable sources of energy and cogeneration, Official Gazette 88/12 but have not been closed until the day of entry into force of this Regulation, the classification of installations using the renewable energy sources and cogeneration installations under the Ordinance concerned shall apply.

##### Article 48

After the entry into force of this Regulation, to the procedures relating to the issuance of the renewable energy approval, the procedures involving the change of the project holder and the procedures with respect to the entry into the RES Register that have been opened pursuant to the Ordinance on the use of renewable sources of energy and cogeneration, Official Gazette 88/12, the classification of the installations that use the renewable energy resources and cogeneration installations under this Regulation shall apply.

## Entry into force

### Article 49

This Regulation shall enter into force on the eighth day following its publication in Official Gazette.<sup>2</sup>

Class:

Reg.no.:

Zagreb,

President

MSc Andrej Plenković, m.p.

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<sup>2</sup> 2019 draft Amendments to the existing 2018 Regulation on the promotion of the production of electricity from renewable energy sources and high-efficiency cogeneration.